



Flamingo Fiasco

January 4, 2012

Another Half Million \$ Gone

Familiar Names in Another Sucker Scandal



Desert Hot Springs, CA – When circus magnet **P.T. Barnum** said “there’s a sucker born every minute,” he was talking about the city hall of a beleaguered **Coachella Valley** town with a seemingly limitless amount of money to throw away. It’s no secret millions have been flushed down the toilet by leaders of this poor city.

It was back in June 2008 that city manager **Rick Daniels** agreed to a \$500,000 scheme for renovating the 33-room pink **Flamingo Hotel**, a marginally-operating business located between the heart of Downtown and **Cabot’s Pueblo Museum**.

Daniels has characterized the Flamingo Fiasco shared with property owner **Brian Boscopy** (who has since disappeared) to have been a “positive learning experience.”

The Flamingo’s view across the Valley is undoubtedly magnificent. But business-wise, like many small hotels in the city, it was just scraping by. Four years ago the restaurant in the facility was closed more often than it was open; and it was obvious the hotel was struggling to keep up appearances, as the lobby doors were too frequently locked.



The Deal

The deal Daniels and city attorney Ruben Duran signed with with Boscoby promised that a modest hotel in decent working order would be transformed into a grand five-star resort.

Boscoby bragged he only needed 90 days of renovation and announced the re-opening would take place October 1, 2008. Instead, it collapsed in only a few months; just another sour deal by the gang that can't shoot straight.

While the loss of revenue to the city during these last four years is significant; what can't be forgotten is the pain of another quarter-million-dollars down the drain after the smooth-talking Boscoby abandoned the project. He left the pink stuccoed Flamingo a lonesome eyesore soon harboring vagrants and varmints, and under fire by irate citizens. Over the years the hotel suffered the further indignity of falling victim to copper pipe and electric wire thievery.

The public is becoming increasing familiar with these same names, who also signed off on millions of city money thrown away on the **Jewish Temple**, the **World Music Festival**, and sweetheart developer deals. The growing public resentment of city hall incompetence is also motivating a growing disbelief regarding the spin of some city leaders intent on hiding the truth and twisting new versions of history to cover up misbehavior, incompetence and plain old corruption.

Not Nickles & Dimes – It's Big Bucks!

Half the money, a quarter million, was handed to Boscoby in a single check signed by Team Daniels and Duran to pay for his project to get started. The other half was in the promise of Boscoby not having to pay the hotel bed tax that other hotels and spas in the city contribute to the city hall bank account.

Now nobody can explain from whence Boscoby came in the first place. Some say **Malibu**. Some say **Rancho Mirage**. Nor is anyone is stepping forward to admit they opened the door to the city for Boscoby, who enjoyed the charming good looks of **George Hamilton**, and was more the kind of guy you'd find entertaining a cocktail party, not living in an old motor home parked at the construction site.



Wheeler Dealer

Boscoby seemed to be less the kind get his hands dirty, and more the “wheeler dealer” type, with big talk and big plans for his big deal that ultimately went bust.

Boscoby said he had three million bucks backing his hotel project. (Like the others on the growing list of fiscal failures, the responsible parties at City Hall simply never checked to make sure Boscoby’s word was true.) No. Boscoby said he just needed the additional city money he was seeking to “top off” his deal. Instead, the city funds were all Boscoby had to work with, and it was far short of being enough, especially the way Boscoby mismanaged his construction project, regularly having to do build things twice.

Once Boscoby got his hands on the \$250,000 from **DHS**, he wasted no time hiring unlicensed contractors to get working despite a provision in his city deal requiring the hiring of licensed contractors, payments of prevailing wages, and a “shop local” contractor ordinance. Boscoby’s workmen arrived from outside the city, immediately tearing out walls, building masonry walls, and proceeding with a massive amount of plumbing and electrical work, as well as structural construction and a fair amount of welding jobs.

Building With Imagination

Creating a superior version of the pink **Flamingo Hotel** was an impressive undertaking. In an exclusive tour of the construction site Boscoby proudly explained he didn’t need a set of design, engineering, and construction plans, because he was “building with his imagination.”

A few weeks later the city woke up to Boscoby’s craftsmanship (or a seeming lack thereof) when an uncertified welder set fire to the main building. Soon, city code enforcement officers slapped a red-tag on the project forbidding more work until Boscoby got a proper set of plans approved by the building department, the kind of standard procedures every other contractor and homeowner has to deal with when doing construction anywhere.



Second Stop Work Order

In keeping with his prior display of hubris, Boscoby continued working for a few more weeks until he received his second red-tag stop work order.

By this time construction on some rooms had progressed to the point where a great deal of electrical and plumbing work was covered over by drywall and new ceramic flooring. This did not please the building inspectors. And, it also did not make Boscoby happy to tear out an abundance of flooring, drywall, and the replacement doors and windows that had been stuccoed over.

Expenses mounted to redo the plumbing and electrical a second time as Boscoby continued using his unlicensed contractors. In addition, an informal audit determined workers were not being paid the mandated prevailing wages as required

The city was notified. However, by this time it became clear Daniels and his city hall crew simply didn't care.

No Experience

While the local city newspaper, the *Desert Valley Star* (now known as the *Desert Star Weekly*), was chronicling this embarrassing fiasco as it unfolded, it was discovered that DHS city hall had never properly vetted Boscoby, who had been touted to be an experienced hotel operator. What this newspaper discovered was that Boscoby derived his hotel experience working at the front desk and management. The reality is he had no prior construction experience, much less the construction of a hotel.

In just a few weeks, the damaged caused by Boscoby rendered the hotel unfit for occupancy. Restoring the hotel to use will require much more money to repair than the quarter-million lost.

Instead of renovating the six pools, and remodeling the rooms, the lobby and the restaurant, plus adding a fully-equipped wellness center, Boscoby shut down his project shortly after the check was cashed.

Daniels is now trying to spin a new understanding of the Flamingo tragedy with the diversion that the hotel could finally open its doors in 2012. Daniels history of trying to make a silk purse out of sow's ear is legendary and is increasing in conflict with reality. It also flat out contradicts history.



Betts Remembers

Councilman Russell Betts seems to have a better memory than Daniels.

“City staff cut the check without any of the safeguards required by the council when approving the deal,” Betts said.

Most importantly the city’s position was not secured on the property title with a “second” position, and the city did not validate the developer actually had the bank guarantees, Betts said.

“There needs to be zero tolerance for any more of these types of mistakes,” Betts said. “Staff did not do their due diligence.”

In the end, the hotel Boscoby bought for \$2.9 million was bought out of foreclosure by **Pacific Allied Investments** of Los Angeles last year. The representative of the owner has been unavailable and is not returning phone calls. Still, Daniels is continuing to work his spin. According to *The Desert Sun*, the city manager announced “that final architectural and engineering plans are expected from the new owner within six months.”



Daniels' Fibs

The Desert Sun also reported Daniels saying the city had a lien against the property to protect itself; but there is nothing on file with the **County of Riverside Recorder's Office** supporting Daniels' claim. Daniels latest spin also blames an ailing economy – not city staff – for the delays. Quite simply, to put it politely, it appears Daniels is fibbing by saying the city has an enforceable lien on the property.

We have a standing public records act request from the **City of Desert Hot Springs** to produce Daniels' so-called lien with Boscoby's signature. So far, none has been provided. We challenge Daniels to prove us wrong in this matter. And, if he presents us with the tangible proof of this recorded lien, we will publish a retraction. In the meanwhile, we suggest taking Daniels' words with a grain of salt until he puts up or shuts up.

The Desert Sun reported Daniels stating: "The property is dead right now. It is not producing significant property taxes — but the money is not lost. It didn't deliver as fast, but it's there."

Daniels did not indicate in any way shape or form how the city's quarter million would be recovered from Boscoby.

Not surprisingly, Daniels has never pushed the city attorney (**Ruben Duran**) to attempt recovery from the man who has disappeared, probably somewhere in Malibu. Boscoby is also rumored to be enjoying the Mediterranean in the South of France. If Daniels knows, he's not telling.

This kind of nonsense is all too familiar in this tired town. Once more this seems to be the standard Daniels-Duran plot to give away city funds in what appears to be a questionable way of lavishing special favors on any Tom, Dick or Harry who rolls into town.

Flim-Flam

Another quarter-million in cash was given away to a flim-flam music festival promoter, with the city refusing to attempt recovery of the funds thus far. A staggering \$1.4 million was given away to purchase the **Jewish Temple**, which was torn down after being determined to be "unfit for

occupancy,” leaving the city with a vacant lot worth less than a tenth of the purchase price. The seller of that property has since relocated to Israel, a country we have no extradition treaty with.

Millions more have been handed over by **Daniels-Duran** as favors for developers who do not complete the required infrastructure (i.e. roads, landscaping, and lighting) for new residential projects.

The Desert Sun reported “Daniels chalks those kinds of incentives up to ‘priming the pump’ because of hotels’ potential to bring in sales tax to the city.”

Daniels remains steadfast in his smoke-and-mirrors optimism.

“Within three to five years, you’ve got complete payback. Then after that, it’s all gravy,” Daniels said according to *The Desert Sun*. “You can always go back and stab the wounded. The third-party financial analysis showed it was a solid deal.”

As far as can be determined the third-party financials Daniels refers to were paid for and supplied by Boscopy. That’s the kind of trust we are supposed to give Daniels, who said this to *The Desert Sun*:

“When we’re at the ribbon-cutting for the Flamingo rehab, adding 32 new rooms and adding \$90,000 to \$95,000 a year to the city coffers, it will be because of aggressive actions we took of investing in local business,” Daniels said.

It’s becoming apparent to some that **Rick Daniels**, the mining engineer from **Oregon State**, has been very successful in digging himself a very deep hole, and he is now working very, very hard to justify his million-dollar salary to the people of **Desert Hot Springs**.

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[Dean Gray](#)

Publisher and one of the writers for the Desert Star Weekly, the California desert's #1 and only alternative independent weekly newspaper. Dean started in the newspaper business at age nine,

delivering the weekly Shopping News in Long Beach, California. He wrote, published and sold ads for his first independent newspapers in 1969 while in high school and has been writing ever since. Art Kunkin, then publisher of the LA Free Press and now of Joshua Tree, was then and remains now his inspiration and a weekly columnist in the Star. While Dean's "cactus thorns" can be sharp and pointed, he has a passion for art, music, good food and healthy living. See www.desertstarweekly.com/who-we-are for more.

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NanTheCactusDweller

This is not the version Yvonne gave me so either you are a really good story teller or somebody else is telling me a fib. I guess you could not make up all these details and it is really true that truth is stranger than fiction.